

UNITED PARCEL SERVICE INC
 Form 424B5
 September 24, 2012
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Filed Pursuant to Rule 424(b)(5)
 Registration No: 333-170435

This preliminary prospectus supplement relates to an effective registration statement under the Securities Act of 1933, as amended, but is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED SEPTEMBER 24, 2012

**PRELIMINARY PROSPECTUS SUPPLEMENT
 TO PROSPECTUS DATED NOVEMBER 8, 2010**

\$

UNITED PARCEL SERVICE, INC.

% Senior Notes due , 20
% Senior Notes due , 20
% Senior Notes due , 20

We are offering \$ of % Senior Notes due , 20 , which we refer to as the 20 Notes , \$ of % Senior Notes due , 20 , which we refer to as the 20 Notes and \$ of % Senior Notes due , 20 , which we refer to as the 20 Notes. We refer to the 20 Notes, the 20 Notes and the 20 Notes collectively as the notes.

We will pay interest on the notes on and of each year beginning , 2013. The 20 Notes will bear interest at a rate of % per year, the 20 Notes will bear interest at a rate of % per year, and the 20 Notes will bear interest at a rate of % per year. We may redeem some or all of the notes at any time and from time to time at the applicable redemption prices described in this prospectus supplement.

The notes will be unsecured and will rank equally with our existing and future unsecured and unsubordinated debt.

The notes will not be listed on any securities exchange. There is currently no public market for the notes of any of the series.

	Price to the Public	Underwriting Discounts and Commissions	Proceeds (Before Expenses) to UPS
Per 20 Note	%	%	%

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Per 20	Note		%	%	%
Per 20	Note		%	%	%
Combined Total		\$		\$	\$

Interest on the notes will accrue from _____, 2012.

Investing in the notes involves risk. See Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2011, which is incorporated by reference into this prospectus supplement.

Neither the Securities and Exchange Commission (the SEC) nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus to which it relates is truthful or complete. Any representation to the contrary is a criminal offense.

Delivery of the notes will be made in book-entry form only through the facilities of The Depository Trust Company (DTC) for the benefit of its direct and indirect participants, including Euroclear Bank S.A./N.V. (Euroclear) and Clearstream Banking, société anonyme (Clearstream), on or about _____, 2012.

Joint Book-Running Managers

BOFA MERRILL LYNCH

MORGAN STANLEY

UBS INVESTMENT BANK

The date of this prospectus supplement is _____, 2012

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You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any free writing prospectus filed by us with the SEC. We have not, and the underwriters have not, authorized anyone else to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer and sale is not permitted. You should not assume that the information in this prospectus supplement, the accompanying prospectus, any free writing prospectus or any document incorporated by reference is accurate as of any date other than the date of such document. Our business, financial condition, results of operations and prospects may have changed since those dates.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document has two parts. The first part consists of this prospectus supplement, which describes the specific terms of this offering and the notes offered hereby. The second part, the accompanying prospectus, provides more general information about securities which we may offer, some of which does not apply to this offering. If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

Before purchasing any notes, you should carefully read both this prospectus supplement and the accompanying prospectus, together with the additional information described under the heading "Incorporation of Certain Documents by Reference" in this prospectus supplement.

Unless otherwise indicated, all references in this prospectus supplement to "we," "our" or "UPS" refer to United Parcel Service, Inc., a Delaware corporation, and its consolidated subsidiaries.

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DESCRIPTION OF UPS

We are the world's largest package delivery company, a leader in the U.S. less-than-truckload industry and a premier provider of global supply chain management solutions. We were founded in 1907 as a private messenger and delivery service in Seattle, Washington. Today, we deliver packages each business day for 1.1 million shipping customers to 7.7 million consignees in over 220 countries and territories. In 2011, we delivered an average of 15.8 million pieces per day worldwide, or a total of 4.01 billion packages. Total revenue in 2011 was \$51.3 billion.

We are a global leader in logistics, and we create value for our customers through solutions that lower costs, improve service and provide highly customizable supply chain control and visibility. Customers are attracted to our broad set of services that are delivered as promised through our integrated ground, air and ocean global network.

Our services and integrated network allow shippers to simplify their supply chains by using fewer carriers and to adapt their transportation requirements and spend as their businesses evolve. Across our service portfolio, we also provide control and visibility of customers' inventories and supply chains via our UPS technology platform. The information flow from UPS technology drives improvements for our customers, as well as for UPS, in reliability, flexibility, productivity and efficiency.

Particularly over the last decade, we have significantly expanded the scope of our capabilities to include more than package delivery. Our logistics and distribution capabilities give companies the power to easily expand their businesses to new markets around the world. By leveraging our international infrastructure, we enable our customers to bridge time zones, cultures, distances and languages to keep the entire supply chain moving smoothly. We operate approximately 800 logistics facilities, in more than 120 countries, offering warehouse space of 35 million square feet.

We have three reportable segments: U.S. Domestic Package, International Package and Supply Chain & Freight.

U.S. Domestic Package operations include time-definite delivery of letters, documents and packages throughout the United States.

International Package operations encompass delivery to more than 220 countries and territories worldwide, including shipments wholly outside the United States, as well as shipments from or to the United States with another country as the destination or origin point.

Supply Chain & Freight includes the operations of our forwarding, logistics and freight units, as well as other aggregated businesses. Our forwarding and logistics business provides services in more than 195 countries and territories worldwide, and includes supply chain design and management, freight distribution, customs brokerage, mail and consulting services. UPS Freight offers a variety of less-than-truckload and truckload services to customers in North America. Other aggregated business units within this segment include Mail Boxes, Etc. (the franchisor of Mail Boxes, Etc. and The UPS Store) and UPS Capital.

On March 19, 2012, we announced an agreement to purchase TNT Express N.V. (TNT Express) for \$9.50 per ordinary share. The transaction would create an enhanced, integrated global network. The offer values the issued and outstanding share capital of TNT Express at \$5.16 billion (approximately \$6.54 billion at the June 30, 2012 exchange rate). Completion of the acquisition is subject to review by the European Commission. On July 13, 2012, the European Commission announced that the proposed acquisition would move to a Phase II review, which can take up to 25 weeks to complete. In conjunction with the move to a Phase II review, we extended the public offer for all of the issued and outstanding ordinary shares of TNT Express to November 9, 2012. Subject to European Commission approval, we anticipate that the acquisition will be completed in early 2013.

Our principal executive office is located at 55 Glenlake Parkway, N.E., Atlanta, Georgia 30328, telephone (404) 828-6000.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein include certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements in the future tense, and all statements accompanied by terms such as believe, project, expect, estimate, assume, intend, anticipate, target, plan, and variations thereof and expressions are intended to be forward-looking statements. We intend that all forward-looking statements we make will be subject to safe harbor protection of the federal securities laws pursuant to Section 27A of the Securities Act of 1933, as amended, (the Securities Act) and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act).

Our discussion and analysis in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein contain some forward-looking statements regarding our intent, belief and current expectations about our strategic direction, prospects and future results. Such statements give our current expectations or forecasts of future events; they do not relate strictly to historical or current facts. Management believes that these forward-looking statements are reasonable as and when made. However, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when made.

Forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our historical experience and our present expectations or anticipated results. These risks and uncertainties include, but are not limited to those discussed in our filings with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2011, which is available from the SEC. You should consider the limitations on, and risks associated with, forward-looking statements and not unduly rely on the accuracy of predictions contained in such forward-looking statements. We do not undertake any obligation to update forward-looking statements to reflect events, circumstances, changes in expectations, or the occurrence of unanticipated events after the date of those statements.

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USE OF PROCEEDS

We estimate that the net proceeds to us from this offering will be approximately \$ _____, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds of this offering to repay, at maturity, the \$1.75 billion in principal outstanding of our 4.50% senior notes, which mature on January 15, 2013, and for general corporate purposes. If for any reason we do not use the net proceeds of this offering to repay our 4.50% senior notes, we will use such net proceeds for general corporate purposes. Pending such use of the net proceeds, we expect to invest the proceeds in highly liquid short-term securities.

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For purposes of calculating the ratio of earnings to fixed charges, earnings are defined as income before income taxes and fixed charges (excluding capitalized interest). Fixed charges include interest (whether capitalized or expensed), amortization of debt issuance costs and any discount or premium relating to any indebtedness (whether capitalized or expensed) and the portion of rent expense considered to represent interest.

The following table sets forth our consolidated ratio of earnings to fixed charges for each of the five years ended December 31, 2011 and the six months ended June 30, 2012:

	Six	Year Ended December 31,				
	Months Ended June 30,	2011	2010	2009	2008	2007
Ratio of earnings to fixed charges	11.7x	11.0x	10.1x	5.4x	2.6x	1.9x

CAPITALIZATION

The table below sets forth our consolidated capitalization as of June 30, 2012 on an actual basis and as adjusted to give effect to the issuance of the notes offered hereby and the application of the net proceeds from the sale of the notes. See Use of Proceeds.

You should read the table together with our consolidated financial statements and the notes thereto incorporated by reference into this prospectus supplement and the accompanying prospectus.

	As of June 30, 2012	
	Actual	As Adjusted
	(amounts in millions)	
Cash and Short-Term Investments		
Cash and Cash Equivalents	\$ 6,718	\$
Marketable Securities	604	604
Total Cash and Marketable Securities	\$ 7,322	\$
Debt Included in Current Liabilities:		
Current maturities of Long-Term Debt and Commercial Paper	\$ 1,911	\$
Debt Included in Long-Term Liabilities:		
Long-Term Debt, excluding Current Installments	11,112	
Total Debt	\$ 13,023	\$
Shareowners Equity	7,725	7,725
Total Debt and Shareowners Equity	\$ 20,748	\$

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DESCRIPTION OF THE NOTES

We are offering \$ _____ aggregate principal amount of our % Senior Notes due _____, 20____, \$ _____ aggregate principal amount of our % Senior Notes due _____, 20____ and \$ _____ aggregate principal amount of our % Senior Notes due _____, 20____. The 20____ Notes, 20____ Notes and 20____ Notes will each constitute a series of senior debt securities described in the accompanying prospectus. The following description supplements, and to the extent it is inconsistent with, replaces, the description of the general terms and provisions contained in Description of the Debt Securities _____ in the accompanying prospectus.

Each series of notes will be issued under the indenture dated as of August 26, 2003 entered into with The Bank of New York Mellon Trust Company, N.A. (as successor to Citibank N.A.), as trustee. We urge you to read the indenture, because the indenture and the terms included in the notes, not the summaries below and in the accompanying prospectus, define your rights. You may obtain a copy of the indenture from us without charge. See the section entitled Where You Can Find More Information _____ in the accompanying prospectus.

General

The 20____ Notes will mature on _____, 20____, and will bear interest at a rate of _____% per annum from _____, 2012, or from the most recent date to which interest has been paid or provided for, payable semi-annually in arrears to holders of record at the close of business on the _____ and _____ immediately preceding the interest payment date on _____ and _____ of each year, commencing _____, 2013.

The 20____ Notes will mature on _____, 20____, and will bear interest at a rate of _____% per annum from _____, 2012, or from the most recent date to which interest has been paid or provided for, payable semi-annually in arrears to holders of record at the close of business on the _____ and _____ immediately preceding the interest payment date on _____ and _____ of each year, commencing _____, 2013.

The 20____ Notes will mature on _____, 20____, and will bear interest at a rate of _____% per annum from _____, 2012, or from the most recent date to which interest has been paid or provided for, payable semi-annually in arrears to holders of record at the close of business on the _____ and _____ immediately preceding the interest payment date on _____ and _____ of each year, commencing _____, 2013.

If any interest payment date, redemption date or the maturity date of any of the notes is not a business day, then payment of principal and interest will be made on the next succeeding business day. No interest will accrue on the amount payable for the period from the interest payment date, redemption date or maturity date, as the case may be, to the date payment is made. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The notes do not contain any sinking fund provisions.

In some circumstances, we may elect to discharge our obligations on a series of the notes through defeasance or covenant defeasance. See Description of the Debt Securities Defeasance and Covenant Defeasance _____ in the accompanying prospectus for more information about how we may do this.

The notes will be issued only in registered form without coupons, in denominations of \$2,000 or integral multiples of \$1,000 in excess thereof. No service charge will be made for any registration of transfer or any exchange of notes, but we may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith.

The notes will be our unsecured and unsubordinated obligations ranking equally with our other outstanding unsecured and unsubordinated indebtedness. The indenture generally does not limit our ability to incur additional debt and does not contain financial or similar restrictive covenants.

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Additional Notes

We may issue additional notes that will be included in the series of the 20 Notes, the 20 Notes or the 20 Notes without the consent of the holders of those notes. Any additional notes, together with all other outstanding notes of that series, will be fungible for U.S. federal income tax purposes, will constitute a single series of debt securities under the indenture and will rank equally in all respects.

Optional Redemption

We may, at our option, at any time and from time to time redeem all or any portion of the notes on not less than 30 nor more than 60 days prior notice mailed to the holders of the notes to be redeemed. The notes will be redeemable at a redemption price equal to the greater of (1) 100% of the principal amount of the notes to be redeemed or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed that would be due after the related redemption date but for such redemption (except that, if such redemption date is not an interest payment date, the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued thereon to the redemption date), discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable discount rate for each series of notes, plus in each case accrued interest to the date of redemption. The discount rate for the 20 Notes will be the Treasury Rate plus basis points, the discount rate for the 20 Notes will be the Treasury Rate plus basis points and the discount rate for the 20 Notes will be the Treasury Rate plus basis points.

Comparable Treasury Issue means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the series of notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the notes of the relevant series.

Comparable Treasury Price means, with respect to any redemption date, (1) the average of the Reference Treasury Dealer Quotations for the redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (2) if we obtain fewer than four such Reference Treasury Dealer Quotations, the average of all Quotations obtained.

Independent Investment Banker means one of the Reference Treasury Dealers appointed by us.

Reference Treasury Dealer means Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC and UBS Securities LLC and their respective successors and one other nationally recognized investment banking firms that are Primary Treasury Dealers specified from time to time by us, except that if any of the foregoing ceases to be a primary U.S. Government securities dealer in the United States (a Primary Treasury Dealer), we are required to designate as a substitute another nationally recognized investment banking firm that is a Primary Treasury Dealer.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by us, of the bid and asked prices for the applicable Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to us (and provided to the trustee) by such Reference Treasury Dealer as of 3:30 p.m., New York City time, on the third business day immediately preceding the redemption date.

Treasury Rate means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity (computed as of the third business day immediately preceding the redemption date) of the applicable Comparable Treasury Issue, assuming a price for such Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the applicable Comparable Treasury Price for such redemption date.

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On and after any redemption date, interest will cease to accrue on the notes called for redemption. Prior to any redemption date, we are required to deposit with a paying agent money sufficient to pay the redemption price of and accrued interest on the notes to be redeemed on the redemption date. If we are redeeming less than all the notes of a series, the trustee under the indenture must select the notes to be redeemed by such method as the trustee deems fair and appropriate in accordance with methods generally used at the time of selection by fiduciaries in similar circumstances.

Book-Entry System

Upon issuance, each series of notes will be issued in book-entry form through DTC. The notes will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. Owners of beneficial interests in the notes will receive all payments relating to their debt securities in U.S. dollars. Clearstream and Euroclear may hold interests on behalf of holders of notes through the accounts that each of these systems maintains to facilitate the clearance and settlement of transactions involving the notes.

A description of DTC's procedures with respect to the notes is set forth in the section "Description of the Debt Securities Book-Entry, Delivery and Form of Debt Securities" in the accompanying prospectus.

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MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following summary describes the material U.S. federal income and certain estate tax consequences to you of the purchase, beneficial ownership and disposition of notes as of the date hereof. This summary deals only with holders that purchase notes in the initial offering at the issue price (i.e., the first price at which a substantial amount of notes is sold to investors) and that hold such notes as capital assets for U.S. federal income tax purposes. This summary is for general information only and does not address all aspects of U.S. federal income taxation that may be important to you in light of your particular circumstances, and it does not address state, local, foreign, alternative minimum or non-income tax considerations that may be applicable to you. This summary does not apply to you if you are a member of a class of holders subject to special rules, such as:

a dealer in securities or currencies;

a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings;

a bank;

an insurance company;

a tax-exempt organization;

a person that owns notes that are a hedge or that are hedged against interest rate risks;

a person that owns notes as part of a straddle or conversion transaction for tax purposes;

a person subject to alternative minimum tax;

a U.S. holder (as defined below) whose functional currency for tax purposes is not the U.S. dollar;

a U.S. expatriate, controlled foreign corporation, or passive foreign investment company; or

a controlled foreign corporation.

This summary is based upon provisions of the Internal Revenue Code of 1986, as amended (the Code), and regulations, rulings and judicial decisions as of the date hereof. Those authorities may be changed, perhaps retroactively, or subject to differing interpretations, so as to result in U.S. federal income tax consequences different from those summarized below.

If an entity classified as a partnership for U.S. federal income tax purposes holds our notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partnership holding notes or a partner in a partnership holding notes, you should consult your tax advisor as to the particular U.S. federal income tax consequences applicable to you.

If you are considering the purchase of notes, you should consult your own tax advisor concerning the particular U.S. federal income and estate tax consequences to you of the purchase, beneficial ownership and disposition of notes, as well as the consequences to you arising

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under the laws of any other taxing jurisdiction, including any state, local or non-U.S. tax consequences.

For purposes of this summary, a U.S. holder means a beneficial owner of a note that is any of the following for U.S. federal income tax purposes:

a citizen or resident of the United States;

a corporation (or other entity classified as a corporation under U.S. federal income tax laws) created or organized in or under the laws of the United States, any state thereof, or the District of Columbia;

an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

a trust if (1) its administration is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all of its substantial decisions, or (2) it has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person.

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A non-U.S. holder means a beneficial owner of a note that is not a U.S. holder and not a partnership for U.S. federal income tax purposes.

U.S. Holders

Payments of Interest

In general, interest on the notes will be taxable to you as ordinary income at the time it is received by you or accrued, in accordance with your regular method of accounting for U.S. federal income tax purposes.

Sale, Exchange, Retirement or Other Taxable Disposition of the Notes

On the sale, exchange, retirement or other taxable disposition of a note:

you will generally recognize taxable gain or loss equal to the difference between (i) the amount of the cash and the fair market value of any property received by you on such sale, exchange, retirement or other disposition (except to the extent the amount is attributable to accrued interest income not previously included in income, which will be taxable as ordinary income) and (ii) your adjusted tax basis in the note;

your adjusted tax basis in the note will generally be equal to your cost for the note, reduced by any principal payments you previously received in respect of the note; and

your gain or loss will generally be capital gain or loss and will be long-term capital gain or loss if you held the note for more than one year at the time of such sale, exchange, retirement or other disposition. Long-term capital gains of non-corporate taxpayers are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Additional Tax on Net Investment Income

For taxable years beginning after December 31, 2012, U.S. holders who are individuals, estates or certain trusts generally will be subject to a 3.8% tax on the lesser of (1) the U.S. person's net investment income in the case of an individual or undistributed net investment income in the case of an estate or trust, in each case for the relevant taxable year and (2) the excess of the U.S. person's modified adjusted gross income in the case of an individual or adjusted gross income in the case of an estate or trust, in each case for the taxable year over a certain threshold (which in the case of individuals will be between \$125,000 and \$250,000, depending on the individual's tax return filing status). A U.S. holder's net investment income will generally include any income or gain recognized by the holder with respect to the notes, unless such income or gain is derived in the ordinary course of the conduct of the holder's trade or business (other than a trade or business that consists of certain passive or trading activities).

Information Reporting and Backup Withholding

Generally, if you are a non-corporate U.S. holder, payments made on a note will be subject to information reporting. In addition, a non-corporate U.S. holder may be subject to a backup withholding tax on those payments if it fails to provide its accurate taxpayer identification number to us or our paying agent in the manner required, is notified by the Internal Revenue Service (the IRS) that it has failed to report all interest and dividends required to be shown on its U.S. federal income tax return, or otherwise fails to comply with applicable backup withholding tax rules. Non-corporate U.S. holders may also be subject to information reporting and backup withholding tax with respect to the proceeds from a sale, exchange, retirement or other taxable disposition of a note.

Any amounts withheld from payments to you under the backup withholding tax rules may be allowed as a credit against your U.S. federal income tax liability and may entitle you to a refund, provided the required information is timely furnished to the IRS.

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As described in more detail below (see *FATCA Legislation*), a U.S. federal withholding tax at a 30% rate may apply to interest paid after December 31, 2013 to, and gross proceeds of sale received after December 31, 2014 by, certain U.S. holders that hold notes through foreign accounts or intermediaries if certain disclosure requirements related to such accounts are not satisfied.

Non-U.S. Holders

U.S. Federal Withholding Tax

Subject to the discussion below under *Information Reporting and Backup Withholding* and *FATCA Legislation*, payments of principal and stated interest on a note will not be subject to U.S. federal withholding tax, provided that:

you do not actually (or constructively) own 10% or more of the total combined voting power of all classes of our voting stock within the meaning of the Code and applicable Treasury regulations;

such interest is not effectively connected with your conduct of a U.S. trade or business; and

either (a) you provide your name and address on an IRS Form W-8BEN (or other applicable form), and certify, under penalties of perjury, that you are not a U.S. person or (b) you hold your notes through certain foreign intermediaries and satisfy the certification requirements of applicable Treasury regulations.

Special certification and other rules apply to certain non-U.S. holders that are entities rather than individuals.

If you cannot satisfy the requirements described above, payments of interest made to you will be subject to U.S. federal withholding tax at a 30% rate, unless you provide us or our paying agent with a properly executed (1) IRS Form W-8BEN (or other applicable form) claiming an exemption from or reduction in withholding under the benefit of an applicable tax treaty or (2) IRS Form W-8ECI (or other applicable form) stating that interest paid on a note is not subject to withholding tax because it is effectively connected with your conduct of a trade or business in the United States (as discussed below under *U.S. Federal Income Tax*).

U.S. Federal Income Tax

If you are engaged in a trade or business in the United States and interest on the notes is effectively connected with the conduct of that trade or business (and the interest is attributable to a permanent establishment maintained by you in the United States if that is required by an applicable income tax treaty as a condition for subjecting you to U.S. tax on a net income basis), you will be subject to U.S. federal income tax on that interest on a net income basis (although exempt from the 30% withholding tax, provided you comply with certain certification and disclosure requirements discussed above in *U.S. Federal Withholding Tax*) in the same manner as if you were a U.S. holder. In addition, if you are a foreign corporation, you may be subject to a branch profits tax equal to 30% (or lower applicable treaty rate) of your effectively connect earnings and profits for the taxable year, subject to certain adjustments, unless you qualify for a lower rate under an applicable income tax treaty.

Any gain realized on the sale, exchange, retirement or other taxable disposition of a note generally will not be subject to U.S. federal income or withholding tax unless:

the gain is effectively connected with your conduct of a trade or business in the United States (and, if applicable, attributable to a permanent establishment maintained by you in the United States), in which case if you are a foreign corporation the branch profits tax described above may also apply; or

you are an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met.

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U.S. Federal Estate Tax

If you are an individual who at death is not a U.S. citizen or resident (as specially defined for U.S. federal estate tax purposes), your estate will not be subject to U.S. federal estate tax on notes beneficially owned by you at the time of your death, provided that (1) you do not actually (or constructively) own 10% or more of the total combined voting power of all classes of our voting stock within the meaning of the Code and applicable Treasury regulations, and (2) interest on those notes would not have been, if received at the time of your death, effectively connected with the conduct by you of a trade or business in the United States.

Information Reporting and Backup Withholding

The amount of interest paid to you, and the amount of any tax withheld with respect to such interest, must be reported annually to the IRS and you. Copies of the information returns reporting the amount of such interest and the amount of any tax withheld may also be made available to the tax authorities in the country in which you reside under the provisions of an applicable income tax treaty.

In general, you will not be subject to backup withholding with respect to payments of interest on a note, provided that we do not have actual knowledge or reason to know that you are a United States person, as defined under the Code, and the certification requirements described in the last bullet point under **U.S. Federal Withholding Tax** above have been met.

In general, you will be subject to information reporting, and possibly backup withholding, with respect to the proceeds of the sale of a note within the United States or conducted through certain U.S.-related financial intermediaries, unless (i) the certification requirements described above have been met and the payor does not have actual knowledge or reason to know that you are a United States person, as defined under the Code, or (ii) you otherwise establish an exemption.

Any amounts withheld from payments to you under the backup withholding tax rules may be allowed as a credit against your U.S. federal income tax liability and may entitle you to a refund, provided the required information is timely furnished to the IRS.

FATCA Legislation

Legislation enacted on March 18, 2010 (commonly referred to as **FATCA**) generally will impose a U.S. federal withholding tax of 30% on certain payments made after December 31, 2013 to a foreign financial institution (as specially defined for this purpose) unless such institution enters into an agreement with the U.S. tax authorities to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding U.S. account holders of such institution (including certain account holders that are foreign entities with U.S. owners). FATCA also imposes a 30% withholding tax on certain payments made after December 31, 2013 to a non-financial foreign entity unless such entity provides the withholding agent with a certification that it does not have any substantial U.S. owners or a certification identifying its direct and indirect substantial U.S. owners. Under certain circumstances, a non-U.S. holder might be eligible for refunds or credits of taxes withheld. The withholding taxes described above would be imposed on interest paid on the notes after December 31, 2013, and on gross proceeds from sales or other dispositions of the notes paid after December 31, 2014, in each case, to foreign financial institutions (including in their capacity as agents or custodians for beneficial owners of the notes) or non-financial foreign entities that fail to satisfy the above requirements. However, under recently proposed regulations, these withholding taxes generally would not apply to payments made on or gross proceeds from sales or other dispositions of debt instruments issued before January 1, 2013 (unless such debt instruments are treated as significantly modified after December 31, 2012). These proposed regulations will not be effective until they are issued in final form, and as of the date of this prospectus supplement, it is not possible to determine whether the proposed regulations will be finalized in their current form or at all. Prospective investors should consult with their own tax advisors regarding the possible implications of this legislation and related administrative guidance on their investment in the notes.

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UNDERWRITING

We intend to offer the notes through the underwriters. Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC and UBS Securities LLC are acting as representatives of the underwriters named below. Subject to the terms and conditions contained in an underwriting agreement between us and the underwriters, we have agreed to sell to the underwriters and the underwriters severally have agreed to purchase from us, the principal amount of the notes listed opposite their names below.

Underwriter	Principal Amount of 20 Notes	Principal Amount of 20 Notes	Principal Amount of 20 Notes
Merrill Lynch, Pierce, Fenner & Smith Incorporated	\$	\$	\$
Morgan Stanley & Co. LLC			
UBS Securities LLC			
Total	\$	\$	\$

The underwriters have agreed to purchase all of the notes sold pursuant to the underwriting agreement if any of the notes are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the several underwriters may be required to make in respect of those liabilities.

The underwriters are offering the notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the notes, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commissions and Discounts

The underwriters have advised us that they propose initially to offer the notes to the public at the applicable public offering prices on the cover page of this prospectus, and may offer the notes to dealers at that price less a concession not in excess of % of the principal amount of the 20 Notes, % of the principal amount of the 20 Notes and % of the principal amount of the 20 Notes. The underwriters may allow, and the dealers may reallow, a discount not in excess of % of the principal amount of the 20 Notes, % of the principal amount of the 20 Notes and % of the principal amount of the 20 Notes to the other dealers. After the initial public offering, the public offering prices, concessions and discounts may be changed.

The expenses of the offering, not including the underwriting discount, are estimated to be \$ and are payable by us.

New Issues of Notes

Each series of notes is a new issue of securities with no established trading market. We do not intend to apply for listing of the notes on any national securities exchange or for quotation of the notes on any automated dealer quotation system. We have been advised by the underwriters that they presently intend to make a market in the notes after completion of the offering. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. We cannot assure the liquidity of the trading market for the notes or that active public markets for the notes will develop. If active public trading markets for the notes do not develop, the market prices and liquidity of the notes may be adversely affected.

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Price Stabilization and Short Positions

In connection with the offering, the underwriters are permitted to engage in transactions that stabilize the market prices of the notes. Such transactions consist of bids or purchases to peg, fix or maintain the prices of the notes. If the underwriters create any short positions in the notes in connection with the offering, i.e., if they sell more notes than are on the cover page of this prospectus, the underwriters may reduce such short positions by purchasing notes in the open market. Purchases of a security to stabilize the price or to reduce a short position could cause the price of the security to be higher than it might be in the absence of such purchases.

The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased notes sold by or for the account of such underwriter in stabilizing or short covering transactions.

Neither we nor any of the underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the prices of the notes. In addition, neither we nor any of the underwriters makes any representation that the underwriters will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Selling Restrictions

In relation to each Memb